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RUEHLO/AMEMBASSY LONDON PRIORITY 6712
RUEHNE/AMEMBASSY NEW DELHI PRIORITY 3381
RUEHCI/AMCONSUL KOLKATA PRIORITY 4870
RUEHGV/USMISSION GENEVA PRIORITY 2485
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C O N F I D E N T I A L SECTION 01 OF 02 KATHMANDU 001130

SIPDIS

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TAGS: [PGOV](#) [KDEM](#) [NP](#)

SUBJECT: NEPAL: MAOIST DEPUTY OUTLINES POSSIBLE DEAL;
COMPLAINS ABOUT VISA

Classified By: Charge d'Affaires, a.i., Randy W. Berry. Reasons 1.4 (b/d).

¶1. (C) SUMMARY: Sitting under the portraits of Marx, Trotsky, Lenin, Stalin and Mao, United Communist Party of Nepal-Maoist Vice Chairman Narayan Kaji Shrestha "Prakash" told Charge that the political parties were close to resolving the political impasse, a statement we have heard repeatedly (and skeptically) in recent months. Shrestha admitted that the Maoists are a "party in transition" that needs to change. The long delays in approving his visa to the United States were "humiliating," Shrestha said. Charge reminded Shrestha that we continue to wait on Maoist actions to remove them from the terrorist lists, which would eliminate long delays in visa approval. END SUMMARY.

Outlines of Political Compromise

¶2. (C) During a December 10 meeting at his Kathmandu home, Narayan Kaji Shrestha "Prakash" said he was optimistic that the three-party task force would be able to resolve the current political impasse, which had caused the Maoists to block parliament and publically protest. (Note: The roots of the recent crisis stem to then-Prime Minister Dahal's decision to fire then-Chief of the Army Staff Katawal. President Yadav overturned Katawal's firing on May 4 -- a move the Maoists call unconstitutional -- leading Dahal to resign in protest. End note.) "There is no alternative to consensus," Shrestha said. If the parties cannot bring the peace process to its "logical conclusion" and promulgate a new constitution, it will be a "disaster."

¶3. (C) Shrestha outlined the key elements of a political compromise "package":

-- parliamentary motion on "civilian supremacy," which would state clearly that the civilian government controls the Nepal Army;

-- amendments to the Constitution that would "clarify" the rights and responsibilities of the President to avoid any future "confusion;" and

-- a public appeal to the nation from the President which would urge Nepalis to forget the past and unite to form a new constitution.

14. (C) The Maoists have dropped their demand that the President apologize for his actions in May 2009 or state that his action was unconstitutional. Maoist leader Dahal "Prachanda" met the President recently to discuss the political package. The President said he "would take positively" whatever compromise the three parties reached. Shrestha also clarified that the Maoist demand for a "government of national unity" -- presumably led by them -- was not a precondition for resolving the political impasse. Shrestha added that a government of national unity remained critical to moving the peace process forward.

"Party in Transition"

15. (C) Charge urged the Maoists to demonstrate maximum flexibility in reaching a political agreement with the government. The United States strongly supports the peace process and calls on all parties, including the government, to support the Comprehensive Peace Agreement (CPA). Charge noted that the blocking of parliament and continued land seizures were neither consistent with the CPA nor democratic principles. Shrestha said that most of the land the Maoist seized had been returned, and disinterestedly said he was unaware of new seizures. (Comment: The recent seizures have been front-page news and broadly accepted as fact.) He noted frankly that the Maoists are a "party in transition," although they were "mainly" democratic and committed to peace and human rights. The party "needs to change."

Visa Delays "Humiliating"

KATHMANDU 00001130 002 OF 002

16. (C) Shrestha asked about the status of his visa application to attend the UN General Assembly, which has lingered for two months. UNMIN had invited Shrestha in his role as Deputy Leader of the Constituent Assembly to meet with UN officials. Shrestha found the visa application process "humiliating." (Ironically, the waiver for Shrestha's visa came through later in the day December 10, following the meeting.)

17. (C) Charge stressed that because of the designation of the Maoist as a terrorist organization, the waiver process requires time. The best solution to this problem would be for the Maoists to take action on the terrorist list benchmarks, as explained by A/S Blake, former Ambassador Powell, and other U.S. officials over the past 18 months. Shrestha, the number two official in the party, was not aware of the terrorist list benchmarks, and said he believed the Maoists were simply waiting for the U.S. terrorist list removal process. Charge reviewed the key expectations for him.

Comment

18. (C) While the compromise outlined by Shrestha appears reasonable, the current problem is not the legal details of the agreement, but rather the political will to move forward. The Maoists remain divided -- some want to drop the unpopular protests and rejoin the political process, while others are committed to escalating pressure and retaking control of government. Maoist leader Prachanda is attempting to straddle the two camps, an increasingly precarious position. We will continue to engage the GON, political parties, and Maoists to urge all sides to demonstrate flexibility.

19. (C) On the terrorist designation, the fact that the Vice Chairman of the party had no idea about the removal process underscores for us the need to present the Maoists with a non-paper containing specific action items, as endorsed by the recent Inter-Agency Policy Committee. Clearly, earlier engagements with Dahal and Bhattarai are not trickling down. We also believe that travel to the United States by senior Maoist leaders generally advances U.S. interests.

